



Penco Products, Inc. • PO Box 400, 1301 Penco Drive, Hamilton, NC 27840
252-798-4000 • fax: 252-798-5000



January 29, 2015

David Peacock
Brownfields Program
NC Division of Waste Management
Mail Service 1646
Raleigh, NC 27699-1646

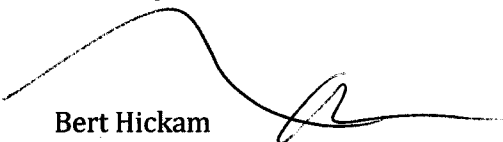
VIA Certified Mail 7011 0470 0000 2135 0672
VIA E-Mail david.peacock@ncdenr.gov

Re: Land Use Restriction Update 2015
Brownfields Project #: 05003-01-59
Brownfields Property: Alamac Knit

Dear David;

Enclosed please find the 2015 Land Use Restrictions Update. Should there be anything else needed or if you have any questions do not hesitate to contact me.

Sincerely,


Bert Hickam
EHA Manager
bert.hickam@pencoproducts.com

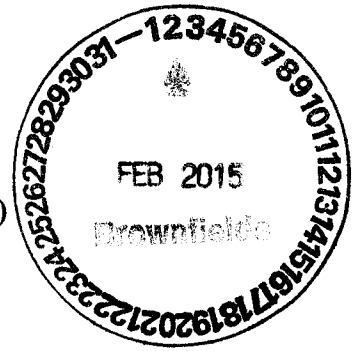
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Brownfields Project #: 05003-01-59

Brownfields Property: Alamac Knit, 1301 Penco Drive (aka: Alamac Drive)

Property Owner (In whole or part): Penco Products, Inc.



LAND USE RESTRICTIONS ("LUR") UPDATE

LUR 1: With the exception of the existing 6 deep wells that is anticipated will be used to supply noncontact cooling water and process water for Prospective Developer's operations, no water supply wells may be installed or used at the Property without the Department of Environment and Natural Resources' ("DENR") prior approval, which shall not be unreasonably withheld.

In compliance X Out of compliance

Remarks: _____

LUR 2: No mining activities may be conducted on the Property.

In compliance X Out of compliance

Remarks: _____

LUR 3: No activities likely, as determined by DENR, to result in exposure to contaminated groundwater (including, but not limiting to, excavation) may be conducted on the Property without written approval by DENR and, if required by DENR, prior sampling and analysis of groundwater in the area where such activities are to be conducted, submittal of the analytical results to DENR or its successor in function, and plans and procedures to protect public health and the environment during those activities. For the purposes of this restriction only, removal of soil and penetration of the land surface to a depth of 5 feet below grade surface or less are not activities likely to result in exposure to impacted groundwater and therefore may be conducted without DENR's prior review and approval. In the event that groundwater is exposed in the performance of such activities in an area of known groundwater contamination, Prospective Developer will notify DENR of this occurrence and take such precautions as are reasonable or

otherwise required by DENR to protect public health and the environment during the performance of the activities.

In compliance ☒ Out of compliance ☐

Remarks: _____

LUR 4: No basements, and no fountains, ponds, lakes, swimming pools or other items which are supplied, in whole or in part, by groundwater may be constructed in areas of the Property that the environmental reports indicate are or may be contaminated without the approval of DENR. For the purpose of this restriction, basement shall mean any part of a building that is below the ground, but shall not include concrete-lined depressions in the above-ground shop floor to facilitate manufacturing, or concrete-lined spill prevention and containment structures set below grade.

In compliance ☒ Out of compliance ☐

Remarks: _____

LUR 5: None of the contaminants known to be present in soil or groundwater at the Property, including those listed in the Notice of Brownfields Property ("Notice"), may be used or stored on the Property, except for the use of *de minimis* amounts of said contaminants or of compounds which may contain said contaminants for cleaning or routine housekeeping or the temporary presence of such materials incidental to the delivery of chemicals or materials for use in operations at the Property.

In compliance ☒ Out of compliance ☐

Remarks: _____

LUR 6: Within seven (7) days of each anniversary of the effective date of the Brownfields Agreement ("Agreement"), the owner of each portion of the Property shall submit a notarized Land Use Restriction Update to DENR certifying that the Notice

containing these land use restrictions remains recorded at the Martin County Register of Deeds office, that these land use restrictions are being complied with, and that the fences shown on the plat recorded as Exhibit B with the Notice remain in good condition.

In compliance X Out of compliance

Remarks: _____

Notarized signing and submittal of this Land Use Restrictions Update constitutes certification that the Notice remains recorded at the Martin County Register of Deeds office and that the Land Use Restrictions are being complied with.

This Land Use Restrictions Update is certified by
Tom Kulikowski, owner of at least part of the Brownfields
Property.

Name typed or printed of party making certification:
Tom Kulikowski

In the case of owners that are entities:

Signature of individual signing: 
Name typed or printed: Tom Kulikowski
Title: President and CEO of Penco Products

In the case of all owners:

Date: _____

By: *Tom Kulikowski*
Tom Kulikowski
President & CEO

NORTH CAROLINA
Martin COUNTY

I, A. Stacey Christine, a Notary Public of Beaufort county, certify that Tom Kulikowski personally came before me this day and acknowledged that he is the President of Penco Products, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing Land Use Restriction Update was signed in its name by its President.

WITNESS my hand and official stamp or seal, this 29 day of
January, 20 15

A. Stacey Christine
A. Stacey Christine
Notary Public

My Commission expires: 3/18/2018

[Stamp/Seal]